

Shultz and President Defend Aid For Rebels Fighting Sandinistas

By HEDRICK SMITH
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WASHINGTON, Oct. 19 — Secretary of State George P. Shultz appealed to the House of Representatives today to continue United States aid to rebels fighting the Nicaraguan Government.

The Secretary warned that a cutoff of assistance "would virtually destroy" prospects for getting the Nicaraguan Government to stop assisting leftist guerrillas in El Salvador.

At his news conference tonight, President Reagan defended covert backing by the United States for Nicaraguan rebels. But he refused to be drawn into the Central Intelligence Agency's involvement in planning or helping mount recent sabotage attacks in Nicaragua.

"I think covert actions have been a part of Government and a part of Government's responsibilities as long as there's been a government," he told one questioner. "I'm not going to comment on some of the specific operations down there, but I do believe in the right of a country when it believes that its interests are best served to practice covert activity."

He said that it was impossible to let the American public know about these activities without "letting the wrong people know" on the other side.

Both the Secretary's letter and the President's comments came as the House of Representatives prepared to take up the annual intelligence authorization bill Thursday. Democrats are seeking to block the \$50 million in aid that the Administration wants to channel this year to Nicaraguan rebels and to divert these funds to regional governments to halt the flow of military supplies across their territories.

Letter to O'Neill and Michel

Late this afternoon, the House Democratic leadership won adoption of a parliamentary rule that would severely restrict Republican opportunities to push for the Administration's \$50 million covert aid program for the Nicaraguan rebels harassing the leftist Sandinista Government.

The procedures call first for a vote on a Democratic move to cut off the aid. If that passes and is reconfirmed, there will be no vote in the House on the Republican measure, though it is expected to pass in the Senate.

Before today's House debate, Mr. Shultz released a letter he had sent to Speaker Thomas P. O'Neill Jr. and to the House Republican leader, Robert H. Michel of Illinois. The letter contends that pressures from the American-backed opposition in Nicaragua are "contributing importantly" to a possible diplomatic opening toward settling the region's problems.

Mr. Shultz cited Nicaragua's recent agreement to a 21-point regional program, including a ban on outside military aid and advisers, as a potential "basis for a negotiated settlement in the region" and also "an indication that the Sandinista regime may ultimately reconsider its pervasive intervention in the region."

It is the wrong time, he argued, to change tactics by cutting off aid to the Nicaraguan rebels. "In my judgment, such an action would virtually destroy the prospect that Nicaragua may agree to reciprocal and verifiable agreements to end assistance to all guerrilla forces operating in the region," Mr. Shultz said.

'The Cause for Peace'

"The Administration's policies to help bring peace in Central America are now beginning to bear fruit," he went on. "I urge the House not to impose restrictions on this policy and thereby undermine the cause for the peace and democracy that we all support."

On Tuesday, Nicaraguan officials told reporters traveling in the Caribbean with New York's Mayor Koch that they had just put forward new diplomatic proposals to the State Department, but State Department officials said no such proposals had been received. Foreign Minister Miguel d'Escoto Brockman of Nicaragua is to meet Thursday with Langhorne A. Motley, Assistant Secretary of State for Inter-American Affairs.

Secretary Shultz's appeal was quickly rebuffed by Speaker O'Neill. "The best U.S. policy in Central America is to set the best example: to oppose aggression in any form," Mr. O'Neill said. To achieve peace, he added, "the U.S. should support other governments, not try to overthrow them."

Last July, the House voted 228 to 195 to cut off all secret aid to the Nicaraguan rebels. But the Senate declined to act, making the House vote mainly a symbolic protest against the Administration's assertive policy in Central America.

Some Republicans contend that sentiment has lately shifted in the Administration's favor, but the House Majority Leader, Jim Wright of Texas, told reporters today that he expected the final vote margin to be "about the same as it was earlier."

Mr. Wright, who voted against the covert aid program in July, said nonetheless that he was wavering on the issue after a trip to the region last week with the President's commission on Central America. He said he had heard strong evidence about hard-line trends in Nicaragua.

'Wrestling With That Problem'

"I'm still wrestling with that problem," Mr. Wright said in a telephone interview. "I'm not sure whether the U.S. involvement in covert operations is productive or counterproductive, whether it makes the Nicaraguan people more intractable or whether it makes them want to lay off their neighbors. I would like to see the Organization of American States take action."

Speaker O'Neill's staff said they were counting Mr. Wright as an ultimate supporter of the cutoff. Were he to switch, other Democrats said, he could take several crucial Democratic votes with him.

Representative Edward P. Boland, the Massachusetts Democrat who heads the House Intelligence Committee and is the prime sponsor of a proposal to end covert aid to the rebels, has asked that the House debate on covert aid to Nicaragua be conducted in secret.

Threatened or Threatening

In today's open debate, there was a largely partisan clash over whether the Nicaraguan Government posed a military threat to its neighbors or was more under threat from them.

"There's little evidence that Honduras is threatened by Nicaragua," asserted Representative George Miller, a California Democrat. "It is under siege by American-financed military groups."

But Representative J. Henry Hyde, an Illinois Republican, asserted that both Honduras and Costa Rica were in danger of Nicaraguan military attacks and cited news reports of continuing Nicaraguan military aid to rebels in El Salvador as justification for American assistance to Nicaraguan rebels.